

Agenda Item 2a

Consideration of Year 7 (2002-03) Performance Funding Issues: Standards for Indicator 2D, "Compensation of Faculty," for use in Year 7

Explanation: Standards for Indicator 2D, "Compensation of Faculty" have been updated annually using the most recent available average national salary data or average peer data, in the case of research institutions, inflated up to the measurement year by the legislated percent pay increase for unclassified state employees. In order to earn a score of "achieves" the expectation has been for research and teaching institutions to be within 80% to 94.9% of the determined average data, whereas, for regional campuses and technical colleges, the expectation has been to be within 75% to 94.9% of the determined average data. Additionally, an improvement factor has applied for institutions that score an "achieves" or "does not achieve" to demonstrate improvement over their prior year performance by a pre-determined percentage of the prior year average in order to earn additional points. The percentage applied for improvement has been calculated using the legislated percent pay increase plus one. For example, if the pay increase were 2%, the improvement factor percentage would be 3%, and an institution scoring 1 or 2 would earn an additional 0.5 points if the increase in the current year salary average is equal to or greater than 3% of the prior year salary average.

For the present year, in addition to cutting budgets of higher education institutions, the legislature did not provide for a pay increase for unclassified employees. Because there is not a pay increase for unclassified employees, the inflation factor used to inflate national or peer salary data up to the current year is 0%. As a result of the 0% inflation factor and a lack of recent data to update standards for one sector, the standards for "achieves" would be revised for some but not all institutions if the existing methodology were applied.

Staff has discussed the issues with institutional representatives and recommends, for the current year only, that the standards for Indicator 2D remain those as determined in Year 6 and that the improvement factor be revised from 3% to 1%, reflecting the 0% pay increase plus 1. This recommendation addresses inequity created by applying the existing methodology and concerns related to recent budget cuts. It is recognized, too, that as standards for the upcoming three-year period are considered the existing methodology applied here needs to be evaluated, particularly as to the inflation factor. Staff will review with institutional representatives the methodology used to set standards for Indicator 2D as part of the review of indicator standards being conducted this year.

Recommendation: Staff recommends that the Planning and Assessment Committee recommend for approval of the Commission that the standards applied in Year 7 (2002-03) for a score of "Achieves" for Indicator 2D be those used in Year 6 (2001-02) and that the improvement factor applied to the prior year data be changed to 1% (legislated pay increase of 0 + 1%).

A chart showing the recommended standards is presented on the next page.

Standards Recommended for Indicator 2D for Year 7(2002-03.) These are the same level as those used in Year 6 (2001-02) with the exception of the "improvement factor." The improvement factor is changed from from 3% to 1%.

Standards for "Acheives" or score of 2		Improvement Factor (Legislated Pay Increase + 1%)
(if < value, score=1)	(if > value, score=3)	

Clemson University - Standards based on peer average from Clemson's Peers reporting data for 1999-00 with all peers reporting. (Clemson's Peers Incl: Auburn Univ; GA Tech Main Campus; Iowa State Univ; MI State Univ; MS State Univ; Univ of NE at Lincoln; NC State Univ at Raleigh; Texas A&M; VA Tech Univ; Purdue Univ Main Campus) National Average are from AAUP report using "Public Category I, Doctoral Level"

Assistant Professor	\$42,773	\$50,740	1.0%
Associate Professor	\$50,643	\$60,075	1.0%
Professor	\$69,559	\$82,514	1.0%

University of SC Columbia - Standards based on peer average from USC's Peers for those reporting data for 1999-00. Average may not include data from all peers. (USC's Peers incl: Univ of IL Chicago; Univ of Iowa; Univ of KY; Univ of MO Columbia; Univ of NM Main Campus; SUNY at Buffalo; UNC Chapel Hill; Univ of Cincinnati Main Campus; Univ of Pittsburgh Main Campus; Univ of VA Main Campus) National Average are from AAUP report using "Public Category I, Doctoral Level"

Assistant Professor	\$44,718	\$53,047	1.0%
Associate Professor	\$52,038	\$61,730	1.0%
Professor	\$71,798	\$85,171	1.0%

Medical University of SC - Standards based on peer average from MUSC's Peers for those reporting data for 1999-00 (All Peers incl: Univ of CO Health Sciences Center*; Medical Coll of GA; LA State Univ Med Center; Univ of MS Med Center*; Univ of NE Med Center; Univ of OK Health Sciences Center*; OR Health Sciences Center*; Univ of TN Memphis) *=nonreporters for developing peer average for 1999-00. National Average are from AAUP report using "Public Category I, Doctoral Level"

Assistant Professor	\$54,028	\$64,091	1.0%
Associate Professor	\$62,855	\$74,562	1.0%
Professor	\$79,965	\$94,858	1.0%

Teaching Colleges and Universities - Standards based on 2000-01 National Average data from AAUP report using "Public, Category IIA - Comprehensive"

Assistant Professor	\$36,840	\$43,701	1.0%
Associate Professor	\$44,787	\$53,129	1.0%
Professor	\$56,164	\$66,624	1.0%

Regional Campuses - Standards based on data from 2000-01 National Average data from AAUP report using "Public, Category III - 2-yr Colleges with Ranks"

Average All	\$35,687	\$45,156	1.0%
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Technical Colleges - Standards based on 1999-00 National Average Data from AAUP report using average salary for "Public, Category IV - Institutions without Ranks"

Average All	\$34,188	\$43,260	1.0%
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